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ABSTRACT

The work force in the state of Michigan is currently below the projected educational levels for new jobs, since more than half the new jobs that will be created between now and the year 2000 will require some postsecondary education. The biggest single problem that exists for Michiganians attempting to upgrade their skills is that there are so many programs available--all with different intake procedures, standards, and purposes. A strategy for improving Michigan's skill-building system was developed as a result of an adult literacy task force study. This skill-building system is called the Michigan Human Investment System and is comprised of two key components: the Michigan Opportunity Card, and the Michigan Human Investment Fund. The Michigan Opportunity Card resembles a bank card and offers access to the 70 separate adult training and educational programs for all adults in Michigan. The card has a computer chip embedded in it which encodes information about the cardholder of interest to the various job training, educational assessment and referral and placement agencies and programs in Michigan. The card is designed to provide both easy access by the user and a method for the state to track a user's progress in the system. The Human Investment Fund provides the infrastructure to assure that the card operates smoothly and transparently for the user, as well as assuring fiscal accountability. (RS)

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The Michigan Opportunity Card *

When Governor James J. Blanchard gave his fifth State of the State Address this year, one theme that emerged, probably the theme of the entire Blanchard administration, is a tremendous optimism for the future of Michigan.

Michigan has always been on the cutting edge of change - we put Americans on the road with modern transportation and we have been the leader of progressive, socio-economic policies for most of our lifetimes.

Our strong industrial base has served us well in providing high paying jobs. But modern technology and world competition are changing the face of these jobs. The resources, capital and technology that were once unique to Michigan are now economic factors that can be moved around the globe at will.

Our chief economic advantage in today's economy, is the skill and resourcefulness of our people. We need all of our people to be as smart, as skilled, and as productive as possible, if Michigan and our nation are going to win the race for quality jobs.

* (Presented by Judy A. Hollister, Governor's Cabinet Council on Human Investment, at the National Conference on State Literacy Initiatives, April 15, 1988.)

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Governor Blanchard's agenda for 1988 poses a challenge to state government, educators, employers and our people. If our businesses are to thrive, if our workers are to get good paying jobs, and if our citizens are to enjoy a quality lifestyle, we must all join forces to assure that our workforce can meet the changing needs of the modern workplace.

Currently our workforce is below the projected educational levels for new jobs. More than half of the new jobs being created between now and the year 2000 require some post-secondary education. Only 37% of our current workforce has attained this level of education. This is similar in other states.

We have a skill gap to close. New jobs require a far different mix of human capital than we have seen before. The days when a kid could come out of high school and get a good job bolting fenders on cars are over. We have to change the skill levels to match the opportunities for jobs in a state that's economic paradigm is moving away from 19th century fixed automation to 21st century flexible automation.

As the Cabinet Council on Human Investment's Adult Literacy Task Force recently confirmed in its report, Countdown 2000: Michigan's Action Plan for a Competitive Workforce, over 1.3 million people in Michigan are unprepared for tomorrow's jobs. If those unprepared have a job now and get laid-off, they don't have

the skills to get a new job; and in their present job, because they are functionally illiterate and have few flexible skills, they cannot adapt and upgrade themselves, are passed over for promotions, and cannot make their employment situation secure.

The Task Force found that entry-level requirements for new jobs, as defined by Michigan employers, extend far beyond basic reading and writing skills. Employers want entry-level workers with basic computer skills, critical thinking, communication and computational skills. Employers want workers who are skilled, flexible, innovative, have strong problem-solving skills, and can work together well as a team.

In order for us to move our workforce to that higher skills level, we must do more than improve our K-12 education system -- because 80% of the year 2000's workforce is already in the labor market. Unless we find ways of bringing adults back in to be retrained, to learn again, to accept continued lifelong learning as an important career value, we will not meet our goals.

In Michigan, we have 70 separate adult training and educational programs in nine different state departments -- spending over 800 million federal and state dollars a year.

But the biggest, single problem that exists for Michiganians attempting to upgrade their skills, is that there are so many

programs -- all with different intake procedures, standards and purposes.

We are fortunate to have this wide range of resources. For we face a public policy environment in which it is very unlikely that there will be any serious new money added to these programs. Yet the need to upgrade our workforce has never been more pressing. We must do better with the resources we have.

The Adult Literacy Task Force last fall conducted an intensive study and interview process, drawing on research and information from multiple resources, including the Michigan Department of Education and CSPA's national workforce literacy academies. The 10-member team represented 5 state departments, the Governor's office and the IBM Corporation -- a true partnership.

The task force study culminated in a report that lays out a strategy for improving Michigan's skill-building system.

It is based on five principles:

1. A system must be designed to meet the work-readiness needs of employers and be sensitive to the personal needs and barriers faced by individuals they serve.
2. It must reflect the <u>shared responsibility</u> of the stakeholders - government, employers and employees.

3. It must empower individuals to invest in themselves. We must have a system that permits them to choose the course that best fits their needs and provide them with the wherewithal to pursue those needs.
4. A system must be "user-friendly" -- one that is easily accessible to workers and employers.
5. Must be accountable. We must know what programs achieve, not simply how many people they serve. We must know how our dollars are being spent.

The task force made eight major recommendations to close the skills gap, following these principles.

Recommendation 1 - a key one - is to adapt a new "workforce literacy" definition to drive all adult training and education programs.

The study recognizes a continuum of five skill bands:

* Language/Communication Skills (the ability to read and write, comprehend and easily use a wide range of printed materials, and speak clearly and effectively).
* Quantitative Skills (the ability to perform basic mathematical computations, understand charts and graphs, and apply these skills to analyze or synthesize quantitative problems).

* Problem-Solving Skills (the ability to reason and solve practical problems, follow complex written or oral instructions, and deal with situations in which there may be several variables).

* Interpersonal/Attitudinal Skills (possession of the qualities of self-esteem, motivation, reliability, and punctuality, the ability to deal with and work cooperatively with others, and acceptance of the concepts of lifelong learning, uncertainty and change).

* Job Seeking/Self-Advancement Skills (the ability to assess one's abilities and ambitions and obtain the skills needed to fulfill them).

For each individual and for each work situation, all five of these skills will be needed. However, each skill must be viewed as a continuum. How fully-developed each skill must be will be determined by the work situation. How fully-developed they can be is up to each individual.

Recommendation 2 establishes a public/private policy board to oversee the design and implementation of an integrated, outcome oriented system.

Recommendation 3 recommends simplified access to the system through "service accounts" that individuals can draw upon for training and education.

Recommendation 4 calls for developing a standard assessment for measuring the new definition with each participant in training and educational programs.

Recommendation 5 calls for joint investments of the public and private sector through encouraging unlimited partnerships and creating a wide array of incentives. The recommendation also calls for establishing a clearinghouse of such accounts.

Recommendation 6 creates a Human Resources Research and Development Institute, a public/private joint venture. It would evaluate programs, do research, and develop curricula and materials.

Recommendation 7 supports adult training and educational providers with formal training and technical assistance, especially on designing and delivering programs to meet the new definition.

Recommendation 8 initiates a public information/marketing campaign from the highest level of government, promoting a new workforce training and educational system that is based on individual choice, life-long learning and accountability.

Governor Blanchard used these eight recommendations as the framework for a new system, taking the existing programs and departments and institutions that now run them, and wrapping them

into a new customer interface - a new way of reaching people that brings all job training, adult education, and job placement efforts together in a single fashion.

When the Governor announced this new system in his annual State of the State Address, he said, "Every Michigan adult will have the opportunity, by investing his or her time, energy and commitment, to obtain the basic reading, math and technical literacy required to be employable." The Michigan Human Investment System has already received international attention, and has been described as more innovative and far-reaching than any other "work readiness" effort in existence today.

The Michigan Human Investment System is comprised of two key components, the Michigan Opportunity Card, and the Michigan Human Investment Fund. Together, these two components will revolutionize the way state government does business.

The Michigan Opportunity Card, the service account in the report, resembles a bank card. It is a tool for offering single access to continued-learning programs for all adults in Michigan, whether its access to welfare programs or community college, adult education, or JTPA programs.

The Card has a computer chip embedded in it that will be encoded with information received from one Card application.

Individuals will no longer have to complete a new application every time they try to access a different program. The encoded information will be specific to the cardholder and will be updated as the owner works toward his or her own career goals and has changing training or educational needs.

Key Elements of the Michigan Opportunity Card include:

1) Available to all citizens -- not needs-based;
2) Easy access to job training, education assessment, referral and placement services;
3) Customer-driven;
4) Performance-based; and
5) Uses state of the art technology.

The Card de-stigmatizes people and programs.

The customer will be fully involved in choosing the programs that will enhance his or her future career development. Program managers will have to be sensitive to the needs of the customer, and the employers, in order to meet expected outcomes of their programs.

Supporting the Opportunity Card will be state of the art technology throughout the system. A sophisticated computer data base will manage program information, and will track customers' movement through the system, funding mechanisms, and accountability measures.

The Governor's Commission on Jobs and Economic Development chaired by Lee Iococca and Doug Fraser, recommended that a task force be established to identify basic job skill needs defined by Michigan employers, as necessary for today's entry-level jobs, and to set standards for work employability. An Employability Skills Task Force made up primarily by employers was established to do this. They have identified the basic skills based on the new workforce literacy definition. Their findings are being presented in a special report to the Iacocca-Fraser Commission.

The standards will be the basis of an employability skills assessment tool being developed in cooperation with the State Department of Education. That tool will then be used to assess Opportunity Card applicants. You as a cardholder will learn right from the start, what skills you have, and what skills you need to acquire or enhance.

You will also find out about all available programs at one time. You won't have to hunt for them in phonebook, or search endlessly in order to learn about other options.

You'll get a personal plan of action to improve your skills -- like a roadmap to your own personal career strategy. You'll get automatic referral to the appropriate programs without having to fill multiple applications every place you go.

You'll get job placement assistance. We hope to integrate the Michigan Employment Security Commission services into the Card, so we can provide up-to-date information on available jobs.

For those people whose skills fall below the minimum level needed to get an entry-level job, a basic skills account will be offered. The basic skills account is the money needed to get up to that entry level. It will be a different amount for every individual, based on the level at which one starts.

The basic skills account holders will not have to be concerned with where the funding comes from, that part of the system will be invisible to the user. The state will manage the various funding mechanisms without the customer having to learn the programmatic details.

As this card develops, a wider range of services will become available to cardholders: for example, multiple programs and services for displaced workers jointly funded by business, labor and the state, or the Tuition Incentive Program for low income high school graduates to attend community college. Individuals will be able to put money tax-free into their child's account, to draw down on for training and education in future years.

The direct benefits of the Michigan Opportunity Card include:

1) Matching of services to modern workplace needs;
2) Creating a competitive marketplace for job training and educational services;
3) Establishing a powerful link between the state and its citizens; and
4) Reinforcing the value of lifelong training and education for all Michiganians.

The Card works as a driving force to integrate the programs in existence today, and to coordinate the development of new programs planned for the future so that they will complement and create a more effective, efficient system. "We will gauge the quality of government services by measuring performance and results, not by the amount of money spent," as Governor Blanchard has emphasized.

Perhaps most importantly, the Card also urges a fundamental shift in the kinds of values our citizens must adopt to be successful in the ever-changing modern workplace.

The second component that the Governor introduced in his State of the State Address is the Michigan Human Investment Fund. The Human Investment Fund will provide the infrastructure to assure that the Card operates smoothly and transparently to the user, and

that it becomes as important to carry in your wallet as your driver's license -- your personalized ticket to lifelong learning.

It is designed to be a joint venture between the departments and agencies of state government that are in the job training or adult education business. Together with private sector members, they will form a "board of directors" to oversee that the $800 million in cash flow per year, -- is driven in a coherent way to achieve an integrated, common outcome-based environment.

The Fund will manage the Opportunity Card, with the basic goal being accountability, on good quality returns on the public's investments.

We will get a more effective system by increasing our efficiency of operation, and the quality of instruction, and by reducing the amount of unnecessary overhead. The Fund will serve as a vehicle to establish cross-program outcome definitions, measurements, evaluations, and cost-effectiveness data. The bottom line is that where the rubber meets the road, this management tool will allow us to move funding from ineffective suppliers to more effective suppliers, and guarantee our people the greatest return on their dollar.

To put this revolutionary system into action, multiple activities are presently taking place simultaneously and include

legislative briefings, technological planning and development, program analyses and development, procurement process for a database, an Executive Order to establish the Investment Fund, and extensive public information efforts.

The challenge is everyone's. If Michigan is to have the competitive edge in today's global, high-tech economy, we must challenge ourselves to improve our own skills, our lawmakers to help put supportive policy and funding in place, state government to be innovative and accountable, and we must challenge our employers to invest in their workers -- the key to their growth and success.

Simply put, the winner in the fight for quality jobs will be the nation, region, or state with the best educated, most skilled workforce.

We can win this fight by offering each of our citizens the opportunity of a lifetime - through a lifetime of opportunity.